

BEFORE THE  
POSTAL RATE COMMISSION

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OFFICE OF THE SECRETARY

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POSTAL RATE AND FEE CHANGES, 2000

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DOCKET NO. R2000-1

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ANSWER OF UNITED PARCEL SERVICE WITNESS  
STEPHEN E. SELICK TO INTERROGATORY  
OF THE UNITED STATES POSTAL SERVICE  
(USPS/UPS-T2-1)  
(June 9, 2000)

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Pursuant to the Commission's Rules of Practice, United Parcel Service ("UPS") hereby serves and files the response of UPS witness Stephen E. Sellick to interrogatory USPS/UPS-T2-1 of the United States Postal Service.

Respectfully submitted,



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Of Counsel.

**ANSWER OF UNITED PARCEL SERVICE WITNESS SELICK  
TO INTERROGATORY OF  
THE UNITED STATES POSTAL SERVICE**

**USPS/UPS-T2-1.** Please refer to your testimony, UPS-T-2, at page 2, lines 15-18, where you state that you provide "[a] recalculation of base year Cost Segment 3 costs . . . using 100 percent mail processing labor cost variability as proposed by UPS witness Neels (UPS-T-1)."

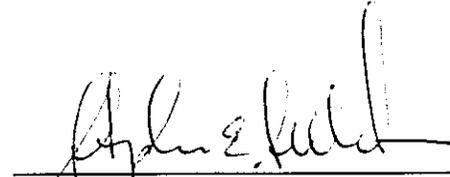
- a. For cost segment 3.1, confirm that by "costs," you specifically mean volume-variable costs by cost pool and subclass. If you do not confirm, please specify the correct meaning of "costs."
- b. Confirm that the "costs" you calculate for cost segment 3.1 are consistent with Dr. Neels' proposals. If you do not confirm, please explain fully.
- c. Confirm that the "costs" you compute for cost segment 3.1, by cost pool and subclass, can be expressed as the product of total cost for the pool, a volume-variability factor equal to (or nearly equal to) one (or 100 percent), and a distribution key share for the cost pool and subclass derived from IOCS data. If you do not confirm, please provide the expression you believe to be correct.

**Response to USPS/UPS-T2-1.**

- (a) Confirmed.
- (b) The costs I calculate for cost segment 3.1 are consistent with Dr. Neels' conclusion that a volume variability of 100 percent is appropriate for mail processing labor costs. See Dr. Neels' response to USPS/UPS-T1-2(a).
- (c) Confirmed.

DECLARATION

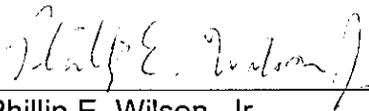
I, Stephen E. Sellick, hereby declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Stephen E. Sellick

Dated: June 9, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with section 12 of the Commission's Rules of Practice.

  
\_\_\_\_\_  
Phillip E. Wilson, Jr.

Dated: June 9, 2000  
Philadelphia, PA

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